

# PT Unilever Indonesia Tbk.

J.P. Morgan ASEAN CEO-CFO Forum 2022



**Lifebuy**

**BARU! LIFEBOUY FRESH COCONUT WATER & MINT**

KESEGRAN HINGGA 12 JAM  
MELAWAN 99,9% KUMAN BERBAHAYA\*

#PerlindunganMenyegarkan

\*BERDASARKAN HASIL UJI COBA LABORATORIUM



**Pepsodent**



**LEZATNYA ROYCO BARU**  
dengan ayam yang direbus lama dan garam beriodium

✓ Garam Beriodium #BantuTumbuhSesuai

**Royco**  
BUMBU KALDU RASA AYAM

Kemudahan Kemas  
Mudah Ayam Direbus yang Berbahaya Lama  
Garam Beriodium



BEAT THE HEAT WITH THE POWER OF NATURE

**LUX**  
HIJAB SERIES

NATURAL TEA TREE OIL OLIVE OIL HONEY



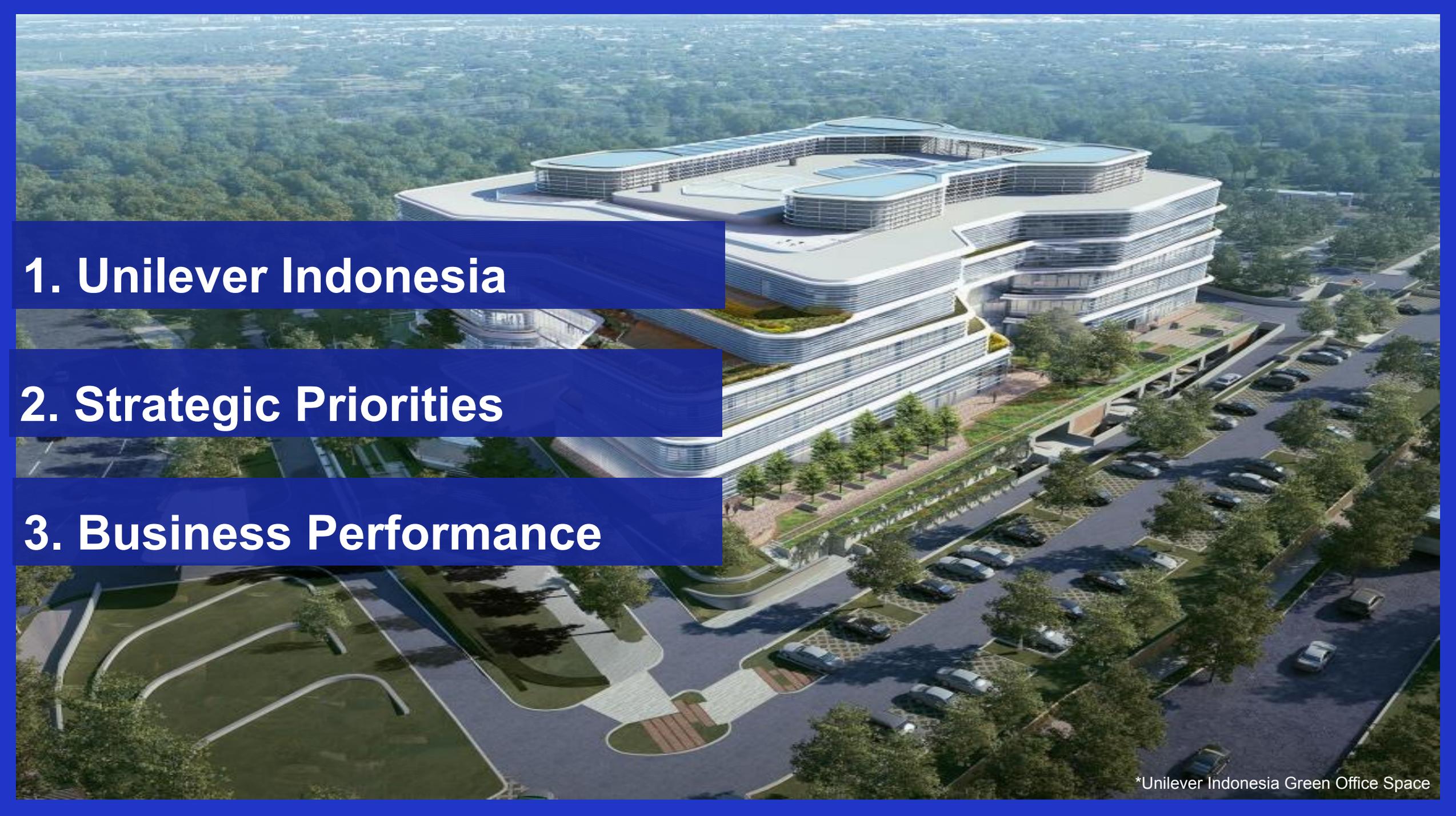
**Rinso**

ANTI NODA  
ANTI BAKTERI & VIRUS\*

BERANI KOTOR DEMI KEBAIKAN

\*BERDASARKAN HASIL UJI COBA TERHADAP Bakteri E. coli dan virus SARS-CoV-2  
\*Kandungan Rinso cair 250 ml, 100% mengandung plus senyawa aktif yang

This Release / Communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments, political instability, change in international oil prices and input costs and new or changed priorities of the trade. The Company, therefore, cannot guarantee that the forward-looking statements made herein shall be realized. The Company, based on changes as stated above, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward looking statements as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements that may be made from time to time by or on behalf of the Company to reflect the events or circumstances after the date hereof.



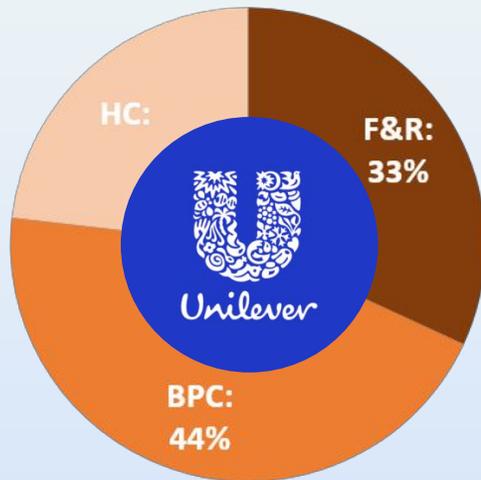
**1. Unilever Indonesia**

**2. Strategic Priorities**

**3. Business Performance**

## \$ 2.8 Bn

Turnover FY 2021



**\$ 12 Bn Market Capitalization**  
 Top 10 Listed Stock in Indonesia  
 (as per June 2022)

HC : Home Care  
 F&R: Foods & Refreshment  
 BPC: Beauty & Personal Care

## 100% Penetration

There is at least one ULI product in every Indonesian Household



## Multi-category Leaderships

### 43 Brand Citadels

that reach >3 million stores in Indonesia  
 (80% distribution) and market leader in 13 out of 15 categories



## 1. Scaled Brands Across Categories



**Market Leader**

in 13 out of 15 categories

**67%**

UL categories with market share >40%

**US\$ 2.0 Bn**

from our top 15 brands in 2021(77% contribution)

**15 Brands**

are part of Kantar Indonesia's Top 100 Most Chosen Brands

## 2. Purpose-led and Inclusive Talents



**8 years**

#1 Employer of Choice

**79%**

of senior leadership team starts as MT in ULI

**44%**

middle-senior management are female.  
Full gender-balance at BOD level

**The Culture**

Resilient,  
Winner Mindset,  
Committed to **Diversity & Inclusion**

## 3. Sustainability at our Core



**145%**

Plastic Waste Collected & Recycled in 2021 vs Target

(45k ton vs 31k ton target)

**3Mn**

people reached through health, wellbeing, and women empowerment programs in 2021

**Strategy**

fully embedded in our business and brands with purpose

**>70%**

of our Brands are scored over-indexed in sustainable attribute\*

*\*based on Kantar survey*

A photograph of two hands reaching towards each other against a bright sunset background. The hands are positioned on the left side of the frame, with the fingers slightly curled as if about to clasp or support each other. The sun is low on the horizon, creating a strong lens flare and a warm, golden glow that fills the background. The overall mood is one of hope, connection, and aspiration.

## OUR VISION

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To earn the love and respect of every Indonesian by positively impacting their life everyday, everywhere

## OUR AMBITION BY 2025

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Growth  
**Above  
Market**

Market  
Position  
**#1 FMCG**

**Unilever Indonesia**

**Our Strategy**

**to Unleash the full potential of Indonesia**



## Unleashing the Full Opportunity of **INDONESIA**

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**GDP will continue strong with c.5% pa** until 2025, driven by private consumption and investment



**Inflation will remain around 3-4%**, continue to be below peer countries



**c.70% of the population in the cities**  
by 2030 producing 86% of GDP



**Indonesia digital economy** is predicted to grow up to eightfold  
by 2030, driven by Ecommerce

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Potential to be the 7th Largest Economy  
in the World by 2030

## The Country with huge room for FMCG growth

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### Massive Market Development Opportunities

Indonesia consumption today in Core categories is only 2/3 of other markets like Thailand



### Two-Speed Economy

**53% Middle-Upper Class by 2025** (vs 49% today) with more affluent consumers seeking new and higher benefit

**Lower Class continue to be sizeable** and seeking value for money benefit across brands, price, and portfolio



### Channel Digitalization

**E-commerce will be 15-16% of total FMCG channel (CAGR +30%)** vs only 6% today.

Potential big disruptions in **Distributive Trade** driven by **marketplace digitalization of B2B**



### Proximity Channel

Shoppers will continue to move to Mini Market at 6-7% CAGR at the expense of MT Large Format Stores

**1.**  
**Growing Core** with  
Impactful Innovation &  
Market Development  
Agenda

## STRONGER CORE TOP 15 BRANDS

**77%**  
Turnover Cont.

**Solid Growth**  
with 6.3% USG in H1 2022

**5 out 15 Brands**  
with Market Share > 40%

**40% growth contribution** from New Innovations to Total ULI.  
**56% of core turnover** tested winning vs competition



## More Users

**8 categories where UL plays have =< 60% Category Penetration**

Liquid Soap, Body Care, Deo, Face, IC, Juice, Toilet Cleaners



## More Usage

**Indonesia Consumption per Household in Core Categories is only 2/3 of Thailand**



**Yuk, Ikut & Dukung Gerakan #SIKATGIGISEKARANG untuk #SENYUMINDONESIA SENYUM PEPSODENT**

## More Benefit



**1.**  
**Growing Core** with  
Impactful Innovation &  
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Agenda

**2.**  
Develop our **full  
portfolio** across  
consumers' segment

## DRIVE PREMIUMIZATION

Rising mid-upper consumers, which will be 53% of population (vs today 49%), and **seek for benefits beyond affordability**

High Growth Space. 200Mn EUR Incremental Revenue by 2025



## SERVE VALUE SEGMENT

Sizeable consumers at lower class (>120mio population) will continue to **seek for best value for money** they spend (lower price or bigger pack with right price)

Secure the price competitiveness through innovation and price/pack.



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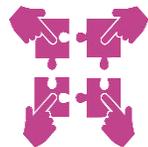
**3.**  
Build the **execution**  
**powerhouse**

## WINNING IN THE CORE CHANNELS WITH EXCELLENT EXECUTION

### Win in Modern Trade (MT), (especially Minis)



#### Design4Minis



#### Partner For Growth

Be #1 preferred supplier via Stronger Category Management



#### Step Up in Omnichannel

A+ Content to drive demand creation & conversion.

### Future-Fit Distributive Trade (DT)



A collaborative partnership program with DTs to sustain competitive advantage in our direct distribution



#### Digitalized DT program



Unleash the growth in Local Modern Trade and Outer Island

## LEADING IN CHANNEL OF FUTURE

### Lead & Turbocharge E-commerce

E-commerce will be 15-16% of total FMCG channel (CAGR +30%) vs only 6% today.



To Grow Ahead of Market with Driving Demand Creation & Designed4Ecommerce Portfolio

## Market Leadership

**40%** Corporate Value Share in General Trade (GT) with 7 categories has share > 40%

**60%** Corporate Distribution in GT, with universe of 3mn GT stores in Indonesia.

**600+** Distributors (Dry + Ice Cream)



## Key Strategies in DT



Portfolio Designed for GT Shoppers



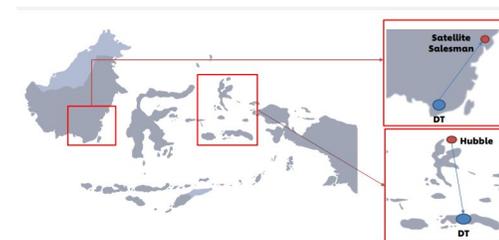
A collaborative partnership

### Distributive Trade: Order Management Digitalization



Enrollment Rate	Active Rate	Sales Contribution
95%	82%	15% of DT

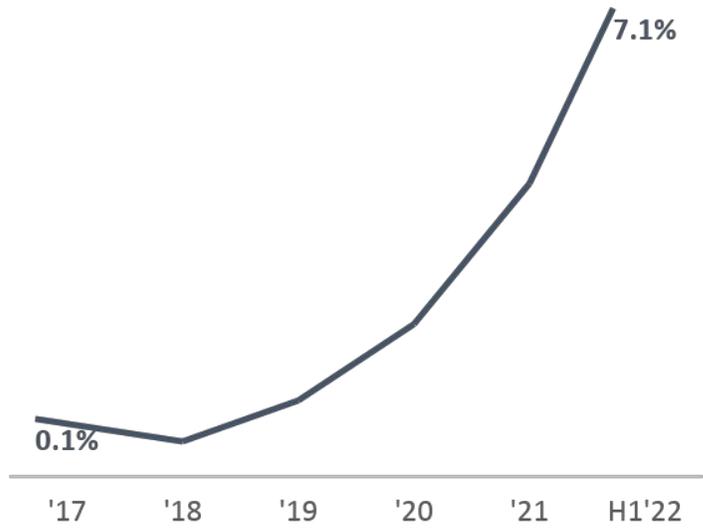
Digitalized DT



Unleash the growth in Local Modern Trade and Outer Island

ULI e-Commerce  
**+91%**  
 H1 2022 Growth

## eCom contribution



## Key Strategies in Digital Commerce



Designed for E-comm Portfolio



Create & Capture Demand

## Perfect Store Online

Improve Data Partnership

Audience data sharing & ROI Measurement



Execution Excellence

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Build the **execution  
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**4.**  
E-everything, including  
**Data Driven  
Capabilities**

## Forecasting Machine Learning



End to End Customer Portal (order, payment, tracking)



Insight & Intelligent (data - based)

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Build the **execution**  
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**4.**  
E-everything, including  
**Data Driven**  
**Capabilities**

**5. Sustainability at Our Core**

## UNILEVER SUSTAINABLE LIVING PLAN

### Improve Health, Hygiene and Well Being of Indonesia

In 2021, we reached **at least 3 Mn people** to improve health, hygiene, and wellbeing through our brands.

- 2.4Mn** students reached in School Health Program.
- 500k** women reached Family Health Program (BU KARSA)
- 100k** Mosques participated in Mosque Cleaning Movement
- 3,2k** girls reached via Sunsilk Explore More Program
- 60** Recipients of GAL's Star Scholarship

Further, we continue to:



Educate dental health with school program and free dentist consultation



Nutrimenu campaign for complete daily nutrition with Royco

### Reducing Environment Impact

#### OUR COMMITMENT BY 2025

<p><b>BY 2025, ALL OF OUR PLASTIC PACKAGING WILL BE REUSABLE, RECYCLABLE OR COMPOSTABLE</b></p> <p>THE GLOBAL GOALS For Sustainable Development</p>		<p><b>BY 2025, 25% OF PLASTIC PACKAGING WILL COME FROM RECYCLED PLASTIC CONTENT (POST CONSUMER RESIN, PCR)</b></p>
<p><b>BY 2025, HELP COLLECT AND PROCESS MORE PLASTIC PACKAGING THAN WE SELL</b></p>	<p><b>BY 2025, WE WILL REDUCE OUR VIRGIN PLASTIC PACKAGING BY 50%. ONE THIRD OF THIS WILL COME FROM AN ABSOLUTE PLASTIC REDUCTION</b></p>	

In 2021:

- 45k ton** Plastics collected & processed. We target to reach 50k annually from 2022-2025.
- 4000** Waste Bank that we collaborate with
- 0%** Waste dumped to landfill (maintained).
- 85%** Reduction in CO2 emission from 2015, or reduction 29% from 2020

### Enhancing Livelihoods for Millions



Fostering and prospering 10,050 black soybean farmers via Bango "Black Soybean Farmers Development Program"



In agriculture, we partnered with almost 20,000 small palm oil, black soybeans, and coconut sugar farmers.



Women across Indonesia have improved their entrepreneurship through the digital platform of WeLearn, an initiative from UN Women supported by Sunlight .

# Unilever Indonesia Business Performance

## Sales Growth

### Growth of Net Sales

Q2 2022

**+7.4%**

IDR 10.6 T (\$0.7 B)

H1 2022

**+6.4%**

IDR 21.5 T (\$1.4 B)

Strong growth in domestic sales

## Gross Margin

### Reported GM

Q2 2022

**47.7%**

-133 bps

H1 2022

**48.2%**

-259 bps

Pressure in commodity prices continues

## Net Profit Margin

### Reported Net Profit Margin

Q2 2022

**13.3%**

-36 bps

H1 2022

**16.0%**

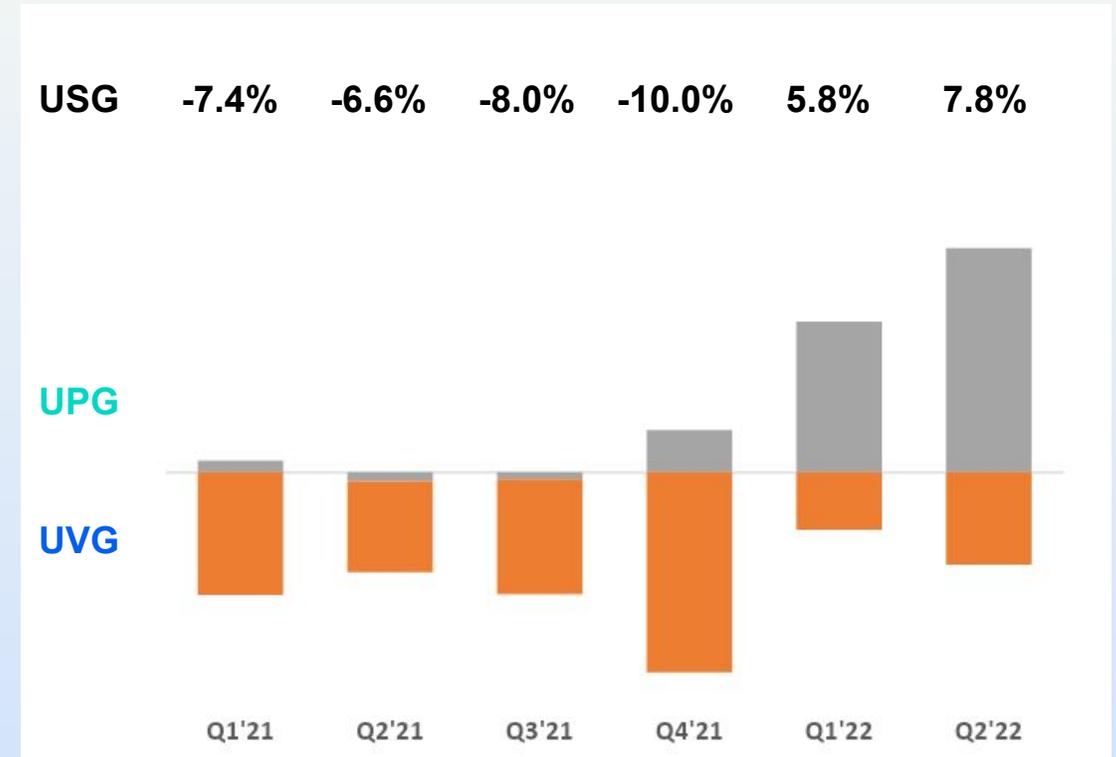
+88 bps

Lower Central Service Fee and Cost Agility

## Result Summary

	USG	UPG	UVG	Vol Growth in unit
<b>Q2 2022</b>	+7.8%	+14.8%	-6.1%	7.7%
<b>H1 2022</b>	+6.8%	+12.3%	-4.9%	6.6%

- A solid quarter with a strong topline (domestic sales) and bottom line.
- Landing pricing in response to high inflation on input costs.
- Managing volume impact in the business.
- Driving profitability with +4.5% reported net profit growth and strong cash flow.
- Delivering IDR 37 EPS in Q2.



## Net Profit H1

**IDR 3.4 T**  
**(\$240m)**

**+12.6% REPORTED\***

*\*Include One-Off Adjustment from  
2021 Central Service Fee*

## EPS H1



## Strong cashflow delivery in H1

**+ IDR 1.9 T**  
**(\$134m)**

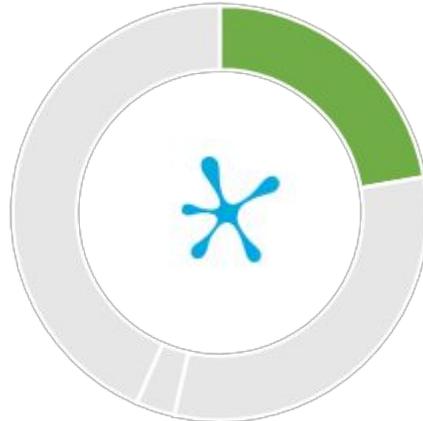
**Maintain profit despite high inflation and stepping up in brand investments**

## BEAUTY & PERSONAL CARE



Q2 YoY 10.7%  
H1 YoY 8.7%

## HOME CARE



Q2 YoY 2.3%  
H1 YoY 1.4%

## FOODS & REFRESHMENT



Q2 YoY 7.5%  
H1 YoY 7.5%

## UNILEVER FOODS SOLUTION



Q2 YoY 16.5%  
H1 YoY 21.0%

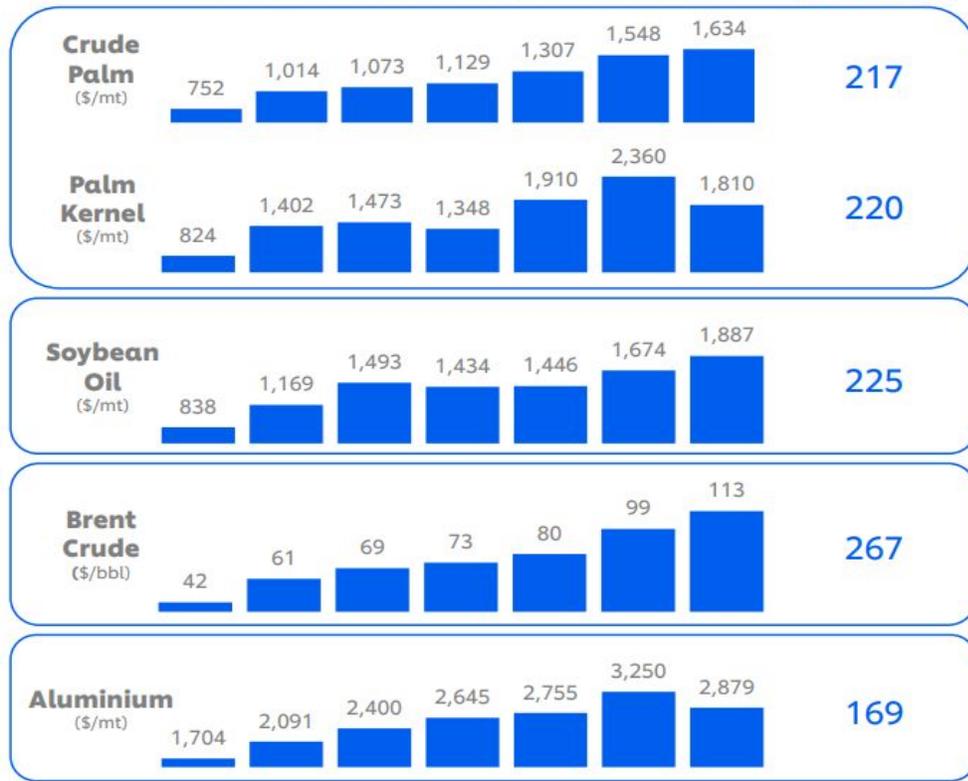
### TOTAL HPC

Q2 YoY USG 7.7% | H1 YoY 6.0%

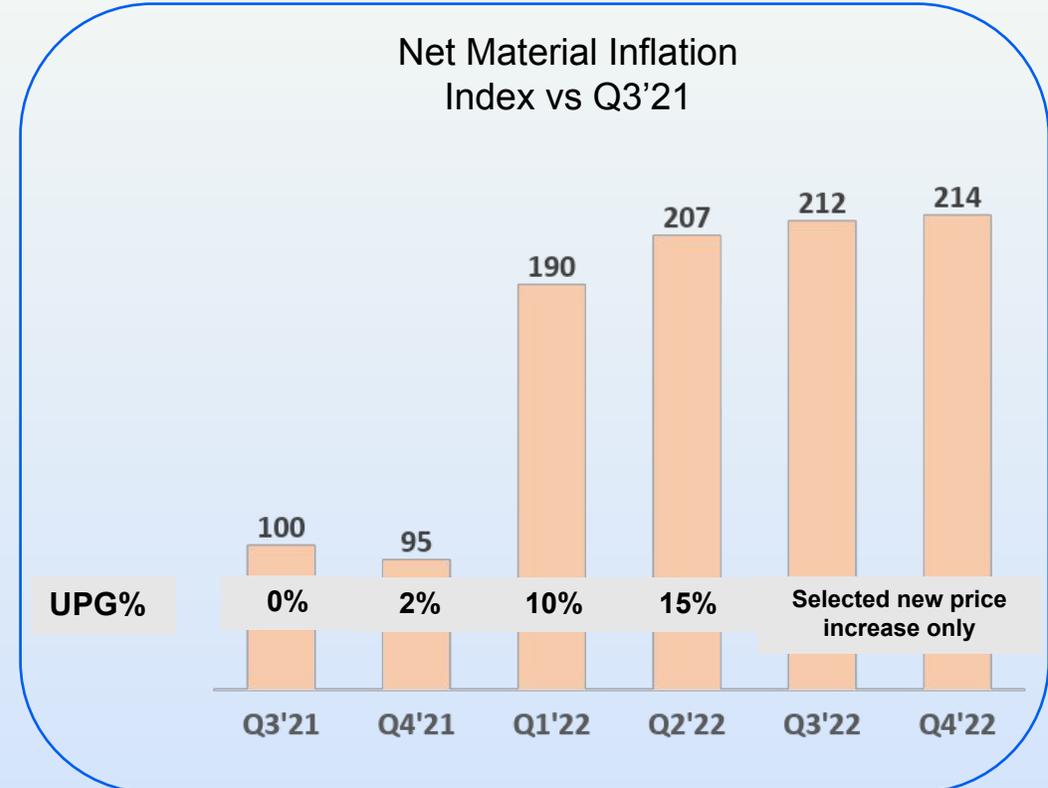
### TOTAL F&R

Q2 YoY 8.0% | H1 YoY 8.2%

## Commodities remain elevated (avg. spot price for each period) Q2 '22 index (vs '20 at 100)



## Sequentially more inflation ahead



## ACTION PLANS

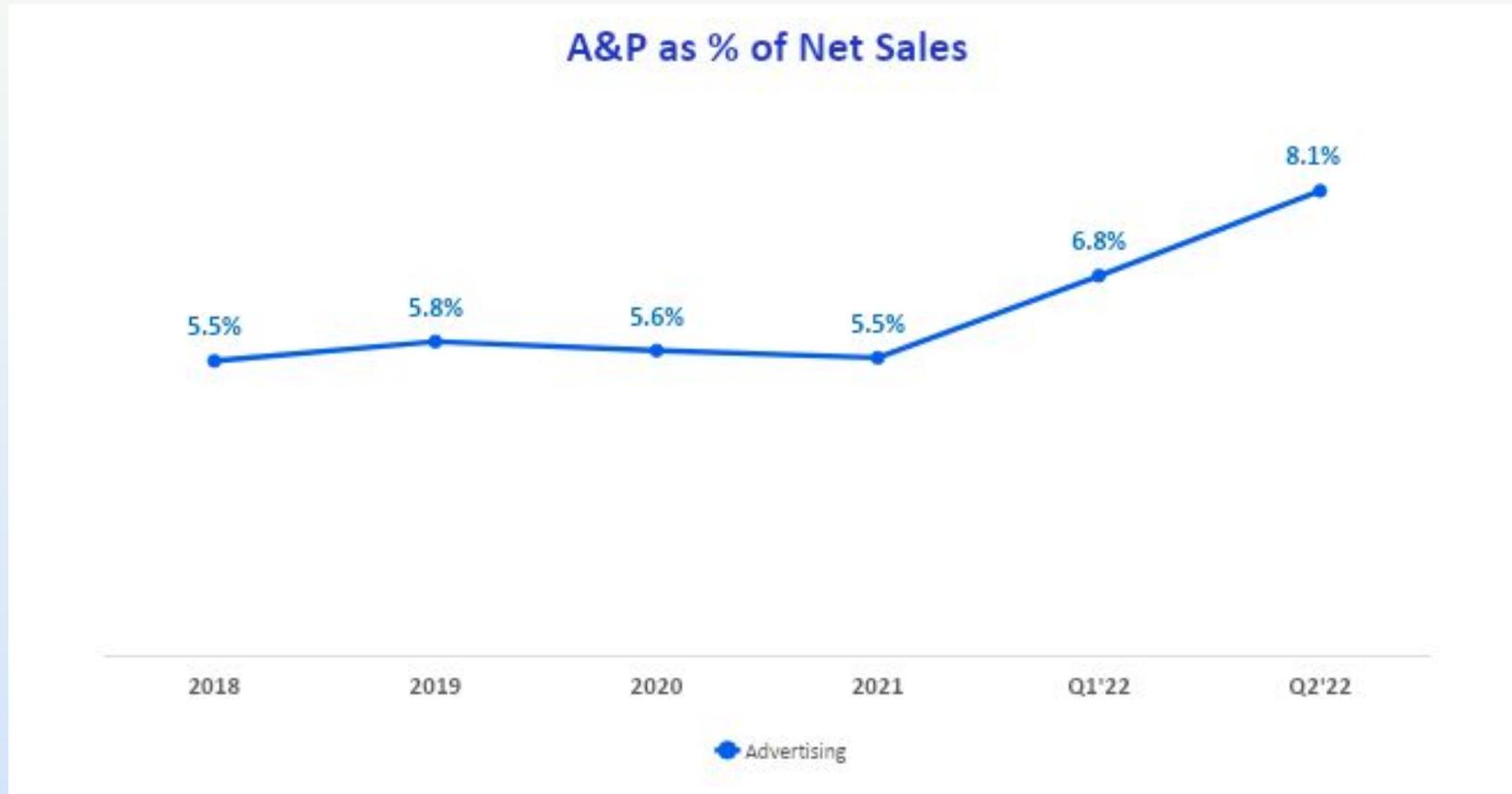
ACCELERATE MATERIAL SAVINGS

PRICING WHERE APPLICABLE

UNLOCK NON-MATERIAL SAVINGS



# Continue stepping up in advertising spending as our commitment to put right level of investment behind our brands



Advertising investments increased by **64%** Q2 YoY, **39%** H1 YoY

## View of H2 2022

### **We remain cautiously optimistic in the near term:**

- Normalization of economic activities and mobility
- Impact of Inflation

### **Commodities will remain volatile:**

- Prudent pricing actions balancing with accelerate material savings and cost agility to continue

## Our FOCUS in 2022 remains the same



Continuing growth momentum and hunt for competitive growth



Invest for growth while managing inflationary pressure



Maintaining cost and saving discipline

# Thank you



**Ira Noviarti (CEO), Enny Sampurno(Director)**